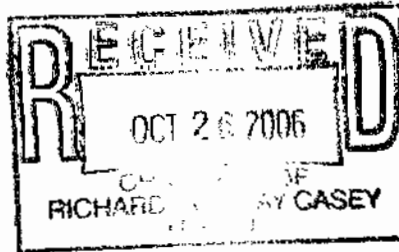
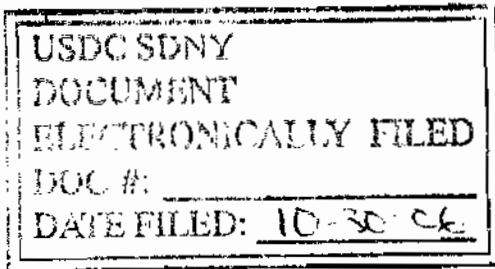


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October 25, 2006

VIA HAND DELIVERY

The Honorable Richard Conway Casey
 United States District Court Judge
 United States Courthouse
 500 Pearl Street
 New York, NY 10007

Re: Merit Capital Group, LLC v. Trio Industries Management, LLC, et al.
Case No. 04 CIV 7690 (RCC)

Dear Judge Casey:

Our firm represents plaintiff Merit Capital Group, LLC (hereinafter "Plaintiff") and third-party defendants Harvey Bloch and Alfred Salazar (hereinafter "Third-Party Defendants") in the above-referenced matter. In accordance with Your Honor's Individual Rules, I write to respectfully request a briefing schedule to address the Second Amended Answer, Counterclaims and Third-Party Claims of Defendants/Third-Party Plaintiffs, Trio Industries Management, LLC, Trio Industries Holdings, LLC and Robert Gyemant (hereinafter "Defendants/Third-Party Plaintiffs") dated October 13, 2006. Evan Daniels, the *pro se* Defendant and Third-Party Plaintiff has also recently served an amended pleading. However, since Mr. Daniels raised no new substantive claims or defenses, we do not take issue with his amended pleading and thus we seek to address only those new claims recently asserted by Defendant/Third-Party Plaintiffs.

This action was commenced on or about September 29, 2004. The bulk of discovery, including depositions, was completed by January 2006. Now, more than two years after this action was filed and nine months since discovery was effectively completed, the Defendants/Third-Party Plaintiffs have served their Second Amended Answer, Counterclaims and Third-Party Claims in which, *inter alia*, they claim, for the very first time, that Plaintiff/Third-Party Defendants violated unspecified securities laws. The Defendants/Third-Party Plaintiffs could have - and should have - asserted this new claim two years ago. At the very least, there is no reason why it was not asserted nine months ago. The Defendants'/Third-Party Plaintiffs' delay tactics should not be countenanced by this Court. Should the Defendants/Third-

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Party Plaintiffs be permitted to assert this claim now, after discovery has been completed, the Plaintiff/ Third-Party Defendants will undoubtedly suffer prejudice, specifically, expert witnesses will need to be retained, the scope of discovery enlarged, etc.

Accordingly, the Plaintiff/Third-Party Defendants respectfully request a briefing schedule so that Defendants/Third-Party Plaintiffs can show cause why they waited over two years to assert their new claim, or, at the very least, why they waited nine months after discovery to do so.

We thank the Court in advance for its consideration.

Respectfully submitted,

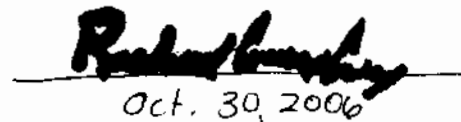


David Lackowitz

cc: David Frydman
via facsimile (212) 355-8988
& regular mail

Evan R. Daniels
via facsimile (214) 705-1582
& regular mail

Application denied.
So ordered.



Oct. 30, 2006